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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/026,965	12/27/2001	Steven R. Janda	8350.1722-00	1798

58982 7590 11/04/2009

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RUHL, DENNIS WILLIAM	
ART UNIT	PAPER NUMBER
3689	

MAIL DATE	DELIVERY MODE
11/04/2009	PAPER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte STEVEN R. JANDA

Appeal 2009-010704
Application 10/026,965
Technology Center 3600

Decided: November 4, 2009

Before HUBERT C. LORIN, STEVEN D.A. McCARTHY and BIBHU R. MOHANTY, *Administrative Patent Judges*.

McCARTHY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellant appeals under 35 U.S.C. § 134 (2002) from the Examiner's decision finally rejecting claims 1, 2, 5-15, 31 and 32 under 35 U.S.C. § 101 (2002) as being directed to nonstatutory subject matter; finally rejecting claims 16-18, 20, 21, 29 and 30 under 35 U.S.C. § 102(e)

(2002) as being anticipated by Brown (US 2002/0118111 A1, publ. Aug. 29, 2002); and finally rejecting claims 1, 2, 5-15, 19, 22, 31 and 32 under 35 U.S.C. § 103(a) (2002) as being unpatentable over Brown. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

We AFFIRM.

The claimed subject matter relates to systems and methods of managing rental equipment which automates the pick up and return of the equipment. (Spec. 18, ¶ 59). The Appellant asserts that the claimed subject matter is applicable to any rental business. (Spec. 18, ¶ 60).

Claim 16 is typical of the claims on appeal:

> 16. A system for managing rental equipment, comprising:
>
> a first secure area;
>
> a plurality of second secure areas accessible from the first secure area, one of which is assigned to a customer;
>
> a rental component that generates a rental list of a plurality of rental equipment items removed from the second secure area assigned to the customer;
>
> an access controller that selectively allows the customer to access the second secure area assigned to the customer;
>
> a return component that generates a return list of rental equipment items returned to the second secure area by the customer and determined at least one missing rental equipment item listed on the rental list but not listed on the return list; and
>
> an invoice component that bills the customer for a cost associated with the missing rental

equipment item.

ISSUES

The Examiner entered a new ground of rejection in the Examiner's Answer against claims 1, 2, 5-15, 31 and 32 under §101 as being directed to nonstatutory subject matter. (Ans. 2).[1] The Examiner properly gave notice of the new ground of rejection. (*Id.*; Ans. 17-18). The Technology Center Director approved the new ground of rejection. (Ans. 18). As the Answer indicates (Ans. 17-18), the Appellant was required to respond to the new ground within two months in either of two ways: 1) reopen prosecution (*see* 37 CFR § 41.39(a)(2)(b)(1) (2009)); or 2) maintain the appeal by filing a reply brief as set forth in 37 CFR 41.41 (*see* 37 CFR § 41.39(a)(2)(b)(2) (2009)), "to avoid *sua sponte* dismissal of the appeal as to the claims subject to the new ground of rejection." (Ans. 17). According to the record before us, the Appellant does not appear to have exercised either option.

Accordingly, we DISMISS the appeal as to the claims subject to the new ground of rejection under §101, namely, claims 1, 2, 5-15, 31 and 32.

Given that the appeal as to claims 1, 2, 5-15, 31 and 32 stands dismissed, the rejections before us for review are reduced to the following:

the rejection of claims 16-18, 20, 21, 29 and 30 under § 102(e) as being anticipated by Brown; and

the rejection of claims 19 and 22 under § 103(a) as being unpatentable over Brown.

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[1] The abbreviation "Ans." refers to the Examiner's Answer mailed December 9, 2008.

The Appellant's sole argument regarding the novelty of independent claim 29 and dependent claim 30 is that claims 29 and 30 are not anticipated for the same reasons discussed with regard to independent claim 16. (App. Br. 14; *see generally* App. Br. 13-14; Reply Br. 2-3). The Appellant's sole argument regarding the novelty of claims 17, 18, 20 and 21 is that the claims depend from claim 16. (*Id.*) Therefore, the Appellant argues claims 16-18, 20, 21, 29 and 30 as a group. Independent claim 16 is representative of the group. *See* 37 C.F.R. § 41.37(c)(1)(vii).

The Appellant contends that Brown fails to disclose or suggest a first secure area and one or more second secure areas assigned to customers. (App. Br. 12-13 and 15; Reply Br. 2). The Examiner finds that Brown discloses a secure storage room and that portions of the secure storage room correspond to the first and second secure areas recited in claim 16. (Ans. 9-10). The Appellant contends that Brown fails to disclose a return component that determines at least one missing rental equipment item listed on a rental list but not listed on a return list. (App. Br. 13). The Appellant further contends that Brown fails to disclose an invoice component that bills a customer for a cost associated with a missing rental equipment item. (App. Br. 14). The Examiner finds that Brown discloses a database and programming defining rental and invoice components. (Ans. 4 and 5).

The Appellant contends that independent claim 19 and dependent claim 22 are patentable over Brown for the same reasons the Appellant contends claim 16 is not anticipated by Brown. (App. Br. 19-20). The Appellant's arguments regarding claims 19 and 22 do not appear to raise any issues not already raised in connection with the rejection of claim 16.

Therefore, the Appellant presents three issues in this appeal:

Has the Appellant shown that the Examiner erred in finding that Brown discloses a first secure area and one or more second secure areas assigned to customers?

Has the Appellant shown that the Examiner erred in finding that Brown discloses a return component that determines at least one missing rental equipment item listed on a rental list but not listed on a return list?

Has the Appellant shown that the Examiner erred in finding that Brown discloses an invoice component that bills a customer for a cost associated with a missing rental equipment item?

FINDINGS OF FACT

The record supports the following findings of fact ("FF") by a preponderance of the evidence.

1. Brown discloses an inventory control system that allows for the identification of an individual entering a confined space and the association of the individual's identity with the movement, addition or removal of objects of inventory in that space. (Brown 1, ¶ 0002 and 2, ¶ 0017).

2. Brown's system includes a storage room *110* having a locking mechanism *170* which limits access to the room. When an authorized person *160* is identified to the locking mechanism *170* by means of an access code or an access card, the locking mechanism *170* unlocks to permit the person to enter the storage room *110*. (Brown 3, ¶ 0025).

3. One of ordinary skill in the art, seeing the layouts of the storage room *110* shown in Figs. 1A, 1B and 2 of Brown, would understand that the

room could be divided into separate areas of arbitrary size and shape. That is, one of ordinary skill in the art would understand that different portions of the floor space of the storage room *110* might be assigned arbitrarily to a "first area" or to "second areas" of the room. The layouts shown in Figs. 1A, 1B and 2 of Brown indicate that any such area within Brown's storage room *110* would be accessible from any separate area within the room.

4. Brown discloses monitoring objects of inventory *112*, *114*, *116* stored in the storage room *110* with radio frequency identification ["RFID"] tags *120*, *122*, *124*. (Brown 2, ¶¶ 0020-21). Brown's RFID system *220* communicates with a server *230*. (Brown 3, ¶ 0027).

5. Brown describes a database management system in the server *230* which maintains a record associating the ingress of objects in the storage room, the egress of objects from the storage room or the movement of objects within the storage room, with the identity of the person removing or returning the objects. (Brown, col. 3, ¶ 0029).

6. A user may access an entry in this record pertaining to an event in the storage room. In this manner, the user may access information regarding objects in inventory such as to determine the presence or absence of objects in inventory, to determine the location of an object in inventory or to reserve an object in inventory. (Brown 3-4, ¶ 0030). More generally, Brown discloses a method in which a user accesses information regarding the addition, removal, return or other movement of objects to, from or within a controlled space associated with identity information in a server through one or more client computers coupled to the server through a network. (Brown 5, claim 15).

7. One of ordinary skill in the art would have understood the disclosures of FF 5 and 6 to imply that the database management system distinguished between database entries associating the identity of a person with the removal of objects from inventory from database entries associating the identity of a person with the return of objects to inventory.

8. Brown discloses the use of the system to automatically bill a party for objects in inventory. (Brown 4, ¶ 0033). That is, Brown discloses automatically notifying a designated person regarding the removal or return of objects of inventory. (Brown, 5, claim 17). Brown's system automatically bills the customer as a result of the notification. (Brown 5, claim 20).

PRINCIPLES OF LAW

A claim under examination is given its broadest reasonable interpretation consistent with the underlying specification. *In re American Acad. of Science Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004). In the absence of an express definition of a claim term in the specification or a clear disclaimer of scope, the claim term is interpreted as broadly as the ordinary usage of the term by one of ordinary skill in the art would permit. *In re ICON Health & Fitness, Inc.*, 496 F.3d 1374, 1379 (Fed. Cir. 2007); *In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997). Properties of preferred embodiments described in the specification which are not recited in a claim do not limit the reasonable scope of the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed. Cir. 2003). Elements recited in a claim presented for examination are not limited to those components capable of performing particular unrecited functions or achieving particular results

merely because the underlying specification describes those functions or results as desirable.

A claim reciting a system may be anticipated by a reference disclosing a device which *includes* each recited *structural* limitation in the claim and which *is capable of performing* each recited *functional* limitation which does not define a structural relationship between elements of the claimed apparatus or system. *See*, *e.g.*, *In re Schreiber*, 128 F.3d 1473, 1478-79 (Fed. Cir. 1997) (upholding the Board's affirmance of a rejection under section 102(b) on the basis of a finding that a device disclosed in a prior art reference was capable of performing a function which the appellant alleged to distinguish the appellant's apparatus from the device).

ANALYSIS

Brown discloses a first secure area and a plurality of second secure areas accessible from the first secure area. Brown's inventory control system includes a storage room having a locking mechanism which secures any area within the room. (FF 2). Hence, any area within the storage room (such as an area of arbitrary size and shape adjacent the door) constitutes a first secure area. Any separate area within the storage room (such as an area of arbitrary size and shape containing objects which a customer might remove) constitutes a second secure area. The second secure areas would be accessible from the first secure area. (*See* FF 3).

The Appellant uses the terms "first secure area" and "plurality of second secure areas accessible from the first secure area" broadly enough to reasonably include areas within the same secure storage room so long as each second secure area is accessible from the first secure area. The

Appellant does not call our attention to any passage of the Specification defining the term "second secure areas" or clearly disclaiming the broadest ordinary usage of the term. The Appellant specifically fails to identify any claim language or Specification passage clearly requiring that access from the first secure area to any second secure area be selective. (*See*, *e.g.*, Spec. 6, ¶ 25 ("Second secured area 104 *may* include an access controller 112." [Emphasis added])).

Brown discloses a rental list and a return list. Brown's system includes a database management system which maintains a record associating the identity of a person with the person's removal of an object from the storage room or the person's return of the object to the storage room. (FF 5). The removal of items from the storage room implies removal of those items from the second secure area. Since the database management system is capable of distinguishing database entries associating the identity of a person with the return of objects to inventory (FF 7), it generates a return list of objects returned by a person (for example, a customer) to the second secure area within the storage room. Claim 16 does not limit the format of the return and rental lists within the database: The Appellant's claim language does not exclude storing both the rental and return lists in a global record of all movements of objects relative to the storage room.

Brown discloses a return component. Brown discloses that a user may access entries in the record maintained by Brown's database management system to determine the absence of an object in inventory. (FF 6). In other words, the programming of Brown's server includes a process that determines at least one missing item, that is, at least one item which is the subject of an entry indicating the movement of the item out of inventory and

which is not the subject of a corresponding entry indicating movement of the item into the storage room. That process is the return component.

Brown also discloses an invoice component that bills the customer for a cost associated with a missing object. The Appellant uses the term "cost associated with the missing rental equipment item" broadly enough to reasonably include a charge for items removed from a rental inventory. The Appellant does not call to our attention any passage of the Specification formally defining the term "cost associated with the missing rental item" or clearly disclaiming the broadest ordinary usage of the term. Brown's system is capable of automatically billing a customer for objects on a continuous basis when the objects are removed from inventory. Alternatively, Brown discloses automatically billing a customer for objects in inventory on a batch mode (that is, periodic) basis. (FF 8). Although Brown does not disclose the nature of the charge for which the customer is billed, Brown does disclose an invoice component that bills the customer for some cost associated with the missing object.

CONCLUSIONS

The Appellant has not shown that the Examiner erred in finding that Brown discloses a first secure area and one or more second secure areas assigned to customers.

The Appellant has not shown that the Examiner erred in finding that Brown discloses a return component that determines at least one missing rental equipment item listed on a rental list but not listed on a return list.

The Appellant has not shown that the Examiner erred in finding that Brown discloses an invoice component that bills a customer for a cost associated with a missing rental equipment item.

The Appellant has not shown that the Examiner erred in rejecting claims 16-18, 20, 21, 29 and 30 under § 102(b) as being anticipated by Brown. Neither has the Appellant shown that the Examiner erred in rejecting claims 19 and 22 under § 103(a) as being unpatentable over Brown.

DECISION

We DISMISS the appeal as to the claims subject to the new ground of rejection under §101, namely, claims 1, 2, 5-15, 31 and 32.

Upon return of the application to the Examiner, the Examiner should:

(1) cancel claims 1, 2, 5-15, 31 and 32; and

(2) notify the Appellant that the appeal as to the claims subject to the new ground of rejection under §101 is dismissed and that claims 1, 2, 5-15, 31 and 32 are cancelled.

See MANUAL OF PATENT EXAMINING PROCEDURE § 1207.03, 8th ed., Rev. 7, Jul. 2008.

We AFFIRM the decision of the Examiner to reject claims 16-22, 29 and 30.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv) (2007).

AFFIRMED

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